

Press release – Agreement reached on the 2021-2027 EU regional and cohesion funding



According to the provisional deal agreed by Parliament and Council's negotiators, a significant part of the European Regional Development Fund (ERDF), which is by far the largest public EU fund, will be spent on smart growth and the green economy.

EU countries will be able to choose between complying either at national or at regional level with the required minimum resources, allocated for each of these objectives. The thresholds are set as follows:

Countries/regions:	Minimum % of resources for "smarter Europe"	Minimum % of resources for "greener Europe"
Group 1 countries / more developed regions (GNI ratio equal to or above 100% of EU average)	–	30%
Group 2 countries / transition regions (GNI ratio between 75%-100% of EU average)	40%	30%
Group 3 countries / less developed regions (GNI ratio below 75% of EU average)	25%	30%

The Cohesion Fund (CF) will continue to focus on investment in environmental and transport infrastructure.

The decommissioning or construction of nuclear power stations, activities linked to tobacco products, airport infrastructure (except for outermost regions), fossil fuels investments, among others, will be excluded from EU

regional funding.

An exception is made for natural gas projects that replace coal-based heating systems, retrofit gas infrastructure to allow the use of renewable and low carbon gases, as well as public procurement of clean vehicles. A maximum of between 0.2% and 1.55% of national ERDF and CF resources may be directed to such investments (these thresholds do not include investments in clean vehicles), according to criteria linked to GNI levels and dependence on fossil fuels. Moreover, projects that include natural gas investments must be approved by 31 December 2025 at the latest in order to receive funding.

Other key measures agreed

- More support for cities: at least 8% of the ERDF resources at national level earmarked for sustainable urban development and the creation of the “European Urban Initiative”;
- Specific measures for outermost regions, islands and depopulated areas;
- Respect of environmental, climate and biodiversity objectives, as well as circular economy principles;
- Increased focus on research and innovation, including the creation of an “Interregional Innovation Investments Instrument”.

Quote

Rapporteur [Andrea Cozzolino](#) (S&D, IT) said: “After a year of work under extraordinary circumstances, we have reached an excellent agreement with the Council on the ERDF/CF regulation that will allow support, in all European regions, for employment, welfare, economic growth and, above all, sustainable development for the next 2021-2017 programming. From tourism to social housing, this is an ambitious regulation that offers enormous opportunities, and which allows member states to face significant international challenges, such as the pandemic, the migration crisis or climate change. Never before has EU cohesion policy had the tools to combat all inequalities and leave no one behind.”

Next steps

Parliament and Council are now expected to endorse the content of the agreement.

Background

The regulation on the ERDF and CF (previously covered by two separate regulations) identifies the specific objectives and scope of support for both funds, including non-eligible activities, for the 2021-2027 programming period. The Multiannual Financial Framework (MFF) for the next seven years foresees 242.9 billion EUR for EU regional funding.

Under the future [Common Provisions Regulation](#), five policy objectives are identified: (1) a more competitive and smarter Europe; (2) a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe; (3) a more connected Europe; (4) a more social and inclusive Europe; (5) a Europe closer to its citizens.